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Strengthening of the United Nations system

# Improvements to the current process of planning and budgeting

## Note by the Secretary-General

*Summary*

The present note is issued pursuant to a request of the Fifth Committee made at its 19th meeting, on 17 November 2003. It includes mock-ups to illustrate the proposed formats of a biennial programme plan and budget outline to be incorporated as parts one and two of the strategic framework proposed by the Secretary-General. In addition, the decisions being sought on the proposals of the Secretary-General regarding improvements to the current process of planning and budgeting are summarized.

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1. The material in the present note was initially provided to the Fifth Committee as supplementary information for its informal consultations on the following three reports:

(a) The report of the Secretary-General on improvements to the current process of planning and budgeting (A/58/395 and Corr.1);

(b) The report of the Advisory Committee on Administrative and Budgetary Questions thereon (A/58/7/Add.5, in particular paras. 6-15);

(c) The report of the Secretary-General on an intergovernmental review of the medium-term plan and the programme budget (A/57/786).

Pursuant to the request made by the Fifth Committee at its 19th meeting, on 17 November 2003, the material is hereby submitted, through the Advisory Committee on Administrative and Budgetary Questions, for the consideration of the Fifth Committee so that it may best report to the General Assembly on those aspects of agenda item 59 which have been referred to it.

2. The supplementary information relates to the recommendations of the Advisory Committee (A/58/7/Add.5). Mock-ups have been prepared to facilitate decision-making by the Fifth Committee at the current session of the General Assembly on the proposal of the Secretary-General for a strategic framework consisting of an improved and renamed medium-term plan (see annex I) and an interlinked and improved budget outline (see annex II), as described in his report on improvements to the current process of planning and budgeting (A/58/395 and Corr.1). That report should be read in conjunction with the report entitled "Intergovernmental review of the medium-term plan and the programme budget" (A/57/786).

3. The two mock-ups are based on current documents to illustrate the very limited changes in format that are being proposed as a consequence of the synchronization of the planning cycle with that of the budget outline and the programme budget. While programme 5, Legal affairs, of the medium-term plan has been chosen to illustrate the types of changes to be made in the format of the biennial programme plan, the revised format would apply to all programmes, as their structure is identical. The format changes are limited to the headings relating to the revised time period covered. The only substantive change envisaged in the plan is the use of a two-year period, which would permit the development of more concrete and specific expected accomplishments and indicators of achievement, as recommended by the Advisory Committee on Administrative and Budgetary Questions in its review of earlier budgets. In the case of the proposed programme budget outline, the current outline is revised to demonstrate how present resource data may be clarified to distinguish changes due to technical factors from those due to programme priorities so as to facilitate an improved linkage between programme-driven priorities and subsequent resource allocations. A new table of strategic programme priorities then presents these in alignment with proposed resource allocations (see annex II, para. 6).

4. The proposals of the Secretary-General respond to the request of the General Assembly contained in paragraph 32 of its resolution 57/300 of 20 December 2002 that he submit a more detailed proposal at the fifty-eighth session for a shorter, more strategic medium-term plan that is linked to the budget outline. The report reflects efforts to ensure a strategic connection between programmes and resource

allocation, to facilitate intergovernmental debate and to avoid duplication and time-consuming efforts in reviewing planning and budgetary documents. This follows the recognition by the Assembly in the same resolution of the need to continue to improve and streamline the planning, programming and budgeting cycle of the Organization.

5. Decisions are sought on the following proposed changes to the planning and budgetary documents and procedures:

(a) The formulation of a strategic framework, comprising:

(i) Part one: a biennial programme plan (to replace the current four-year medium-term plan);

(ii) Part two: a budget outline;

(b) Further modification of the programme budget to include, in each budget fascicle, summary tabulations of outputs for each sub-programme and a detailed catalogue of individual outputs, together with the details of resource requirements, to be provided as supplementary information for the Advisory Committee on Administrative and Budgetary Questions;

(c) The review by the Committee for Programme and Coordination of part one of the strategic framework;

(d) The discontinuation of the review by the Committee for Programme and Coordination of the budget outline (part two of the strategic framework);

(e) The discontinuation of the review by the Committee for Programme and Coordination of the proposed programme budget;

(f) An increase in the attention given by the Committee for Programme and Coordination to monitoring and evaluation matters in order to determine the continuing relevance, efficiency, effectiveness and impact of the work of the Organization.

# Annex I

## Mock-up of a strategic framework*

## Proposed strategic framework for the period 2006-2007

## Part One. Biennial programme plan

### Programme 5
### Legal affairs

Contents


Overall orientation

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Subprogramme 5. Progressive harmonization and unification of the law of international trade

Subprogramme 6. Custody, registration and publication of treaties

Legislative mandates


* The present mock-up is based on the proposed medium-term plan for the period 2002-2005 relating to legal affairs (A/55/6 (Prog. 5)), which was presented in fascicle form to the Committee for Programme and Coordination for its review in 2000. No attempt has been made to revise the programme for 2006-2007. The mock-up demonstrates the modifications that would be made if the General Assembly approved the Secretary-General's proposed strategic framework. The proposed format changes include: (a) the title of the document; and (b) expected accomplishments and indicators of achievement reflecting a two-year period. No other changes are proposed.

## Overall orientation

5.1 The overall objectives of this programme are to contribute to the maintenance of international peace and security through the promotion of and respect for international law and to support the achievement of the other purposes of the United Nations.

5.2 The mandate for the programme derives from the principal decision-making organs of the United Nations in accordance with the Charter of the United Nations and the Statute of the International Court of Justice.

5.3 Within the Secretariat, substantive responsibility for the programme is vested in the Office of Legal Affairs. It provides a unified central legal service for the Secretariat and the principal and other organs of the United Nations, contributes to the progressive development and codification of international public and trade law, promotes the strengthening and development as well as the effective implementation of the international legal order for the seas and oceans, registers and publishes treaties, and performs the depositary functions of the Secretary-General.

5.4 During the plan period, the Office will provide legal advice and services to the decision-making organs of the United Nations and its Member States. It will strengthen respect within the United Nations for the rule of law in international relations, in particular, observance of the Charter and the resolutions, decisions, rules, regulations and treaties emanating from the Organization. Achievement of gender equality will also be addressed, as appropriate, in the activities of the Office, including encouraging Member States to propose women candidates to positions in governing bodies and within the Organization, and in advice provided.

## Subprogramme 1
## Overall direction, management and coordination of legal advice and services to the United Nations as a whole

### Objective (2006 onwards)

5.5 The objective of this subprogramme is to ensure respect for and compliance with all aspects of international and United Nations law.

### Strategy (2006-2007)

5.6 This subprogramme is implemented by the Office of the Legal Counsel. The Office will assist the principal and subsidiary organs of the United Nations by providing legal advice and through the preparation of reports and analyses, and participation in meetings. This covers questions relating to international peace and security and includes advice on the interpretation of the Charter, resolutions and regulations of the United Nations, treaties and questions of public international law and questions involving the use of force, sanctions, investigations, commissions of inquiry, expert groups, privileges and immunities, and third-party liability.

5.7 In order to contribute to the discharge of the statutory responsibilities of the Secretary-General on constitutional and procedural questions, the Office will, inter alia, provide legal advice in the form of opinions, memoranda or oral statements. This will cover all aspects of United Nations law, including privileges and

immunities and the status of the Organization in Member States. The Office will prepare and interpret draft rules of procedure and host country conference agreements and other agreements. Questions relating to representation and credentials of States to the United Nations will be assessed as required.

5.8 Legal advice will be provided on specific questions related to public international law as, for example, succession of States, legal disputes, human rights, humanitarian law, war crimes and crimes against humanity, including formulation of statements of a legal nature for the Secretary-General.

5.9 The Office will also carry out secretariat and representational functions for organs and bodies falling within its competence, including the Credentials Committee of the General Assembly, the Committee on Relations with the Host Country and, as appropriate, ad hoc working groups of the Security Council or the Sixth Committee. The Office will also represent the Secretary-General at meetings and conferences sponsored by the United Nations, as required.

**Expected accomplishments (2006-2007)**[a]

5.10 Expected accomplishments would include greater recourse to international law; greater compliance with the international legal instruments required for the conduct of the United Nations operations; and enhanced understanding on the part of Governments and civil society, of public international law and the functions of the United Nations.

**Indicators of achievement (2006-2007)**[b]

5.11 Indicators of achievement would include the quality and timeliness of legal advice rendered and of legal instruments finalized; reduction in the number of violations of international legal instruments for the conduct of the United Nations operations; and the quality and impact of studies, analysis and statements on international law.

## Subprogramme 2
## General legal services to United Nations organs and programmes

**Objective (2006 onwards)**

5.12 The objective of this subprogramme is to protect the legal interests of the Organization.

**Strategy (2006-2007)**

5.13 Substantive responsibility for this subprogramme is vested in the General Legal Division. Legal services and support will be provided to assist all parts of the Organization, including offices located away from Headquarters, in the day-to-day administration of their mandates and programmes. These involve: (a) participation

[a] Expected accomplishments would be drafted to reflect specific results to be achieved over a two-year period.
[b] Indicators of achievement would be drafted to measure more specifically the accomplishments expected over a two-year period.

in meetings of Secretariat bodies, such as the Committee on Contracts, the Staff Management Coordination Committee, the Property Survey Board and the Claims Board; and (b) interpretation of certain Articles of the Charter, General Assembly resolutions and decisions, the regulations, rules and other administrative issuances of the Organization and the mandates of programmes and activities in which United Nations organs and bodies are engaged.

5.14 Legal services and support will also be provided for: (a) the peacekeeping operations of the Organization in the contracting for air, land and sea transportation, for rations and logistical support and for personnel and equipment and for resolution of related disputes as well as claims against the Organization resulting from such operations; (b) the Organization's expanded contracting requirements and the reform of procurement; (c) the separately funded programmes, funds and offices for the establishment of programmes of cooperation for development, as well as for the development of new institutional modalities for operational activities and initiatives to counter epidemics and other hazards; (d) assisting in the prosecution and punishment of staff members and others who engage in theft, corruption or other fraudulent activities against the Organization and recovery of assets; and (e) the development of new modalities for cooperating with outside entities in achieving the objectives of the Organization.

5.15 Furthermore, legal services will be provided for matters related to the regulations, rules and other administrative issuances of the Organization and revisions to the personnel appraisal system. The General Legal Division will represent the Secretary-General before the Administrative Tribunal and represent the Organization before other judicial and arbitral bodies.

**Expected accomplishments (2006-2007)**[b]

5.16 Expected accomplishments would include greater protection of the Organization's legal rights; fewer disputes and other legal difficulties that arise; and compliance with regulations, rules and administrative issuances consistent with the Organization's policies and purposes.

**Indicators of achievement (2006-2007)**

5.17 Indicators of achievement would include the minimization of the liability of the Organization; a reduction in the number of cases of non-compliance with policies, regulations and rules; a reduction in the number of legal disputes and other difficulties; and timeliness of legal advice in support of the operational needs of the Organization.

## Subprogramme 3
## Progressive development and codification of international law

## Subprogramme 4
## Law of the sea and ocean affairs

...

## Subprogramme 5
## Progressive harmonization and unification of the law of international trade

...

## Subprogramme 6
## Custody, registration and publication of treaties

...

## Legislative mandates

**Subprogramme 1**
**Overall direction, management and coordination of legal advice and services to the United Nations as a whole**

*General Assembly resolution*

| | |
|---|---|
| 13 (I) | Organization of the Secretariat |

**Subprogramme 2**
**General legal services to United Nations organs and programmes**

*General Assembly resolutions*

| | |
|---|---|
| 351 (IV) | Establishment of a United Nations Administrative Tribunal |
| 782 B (VIII) | Personnel policy of the United Nations: amendment to the Statute of the United Nations Administrative Tribunal |
| 957 (X) | Procedure for review of United Nations Administrative Tribunal judgements: amendments to the Statute of the Administrative Tribunal |

**Subprogramme 3**
**Progressive development and codification of international law**

*General Assembly resolutions*

| | |
|---|---|
| 174 (II) | Establishment of an International Law Commission |
| 487 (V) | Ways and means for making the evidence of customary international law more readily available |
| 987 (X) | Publication of the documents of the International Law Commission |

**Subprogramme 4**
**Law of the sea and ocean affairs**

*United Nations Convention on the Law of the Sea*

Articles 16 (2), 47 (9), 75 (2), 76 (9), 84 (2), 287 (8), 298 (6), 312, 313 (1), 319 (1) and 319 (2); articles 2 (2), 2 (5) and 6 (3) of annex II; articles 2 and 3 (e) of annex V; article 4 (4) of annex VI; article 2 (1) of annex VII; and article 3 (e) of annex VIII.

**General Assembly resolutions**

| | |
|---|---|
| 49/28 | Law of the Sea |
| 52/26 | Oceans and the law of the sea |
| 53/33 | Large-scale pelagic drift-net fishing, unauthorized fishing in zones of national jurisdiction and on the high seas, fisheries by-catch and discards, and other developments |
| 54/32 | Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks |
| 54/33 | Results of the review by the Commission on Sustainable Development of the sectoral theme of "Oceans and seas": international coordination and cooperation |

Annual resolutions adopted by the General Assembly on the item entitled "Oceans and the law of the sea"

**Subprogramme 5**
**Progressive harmonization and unification of the law of international trade**

*General Assembly resolutions*

| | |
|---|---|
| 2205 (XXI) | Establishment of the United Nations Commission on International Trade Law |

Annual resolutions adopted by the General Assembly on the work of UNCITRAL

**Subprogramme 6**
**Custody, registration and publication of treaties**

Article 102 of the Charter of the United Nations

*General Assembly resolutions*

| | |
|---|---|
| 23 (I) | Registration of treaties and international agreements |
| 24 (I) | Transfer of certain functions, activities and assets of the League of Nations |
| 97 (I) | Registration and publication of treaties and international agreements: Regulations to give effect to Article 102 of the Charter of the United Nations |

| | |
|---|---|
| 364 (IV) | Registration and publication of treaties and international agreements |
| 482 (V) | Registration and publication of treaties and international agreements |
| 33/141 | Registration and publication of treaties and international agreements pursuant to Article 102 of the Charter of the United Nations |
| 51/158 | Electronic treaty database |
| 54/28 | United Nations Decade of International Law |

## Annex II

# Mock-up of a budget outline*

## Proposed strategic framework for the biennium 2006-2007

## Part Two. Proposed programme budget outline for the biennium 2006-2007

### Report of the Secretary-General

*Summary*

By its resolution 41/213 of 19 December 1986, the General Assembly, inter alia, requested the Secretary-General to submit, in off-budget years, an outline of the proposed programme budget for the following biennium. Accordingly, the outline for the biennium 2006-2007 is hereby submitted. Pursuant to General Assembly resolution 55/XXX, the outline for the biennium 2006-2007 is hereby submitted as part two of the proposed strategic framework. The outline reflects the priorities established in part one, the biennial programme plan, of the strategic framework and takes into account the views of the Committee for Programme and Coordination thereon. The level of the contingency fund for the biennium 2006-2007 is recommended to be set at 0.75 per cent of the overall level of the proposed programme budget outline.

* The budget outline for the biennium 2004-2005 (A/57/85) has been used as the basis for this mock-up. The proposed changes include the title of the document; additional references in the text to the location of resource changes (herein); the inclusion of a new table in paragraph 6; and expansion of the preliminary indicative estimates for the biennium (appendix).

# I. Introduction

1. In accordance with the provisions of annex I to General Assembly resolution 41/213 of 19 December 1986, the Secretary-General submits, in off-budget years, an outline of the programme budget for the following biennium, which should contain an indication of the following:

(a) Preliminary estimate of resources to accommodate the proposed programme of activities during the biennium;

(b) Priorities, reflecting general trends of a broad sectoral nature;

(c) Real growth, positive or negative, compared with the previous budget;

(d) Size of the contingency fund expressed as a percentage of the overall level of resources.

Pursuant to General Assembly resolution 58/XXX, the outline for the biennium 2004-2005 is hereby submitted as part two of the proposed strategic framework. The outline reflects the priorities established in part one, the biennial programme plan, of the strategic framework and takes into account the views of the Committee for Programme and Coordination thereon. The Secretary-General will submit reform proposals pertaining to the continued process of strengthening the Organization in September to the General Assembly at its fifty-seventh session. Any implications that the reform would have for the proposed programme budget outline will be addressed at the fifty-seventh session.

# II. Preliminary estimate of resources needed to accommodate the proposed programme of activities during the biennium

2. In establishing a preliminary estimate of resources for the biennium 2004-2005, the approved level of appropriations and related commitments, namely, $2,699.9 million, was taken as the starting point. These existing provisions consist of the initial appropriation of $2,625.2 million, a subsequent commitment of $0.7 million authorized by the General Assembly for the comprehensive implementation of and follow-up to the World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance (part VI); and decisions, as of the time of writing, taken in informal consultations of the Fifth Committee including $59.3 million for strengthening the security and safety of United Nations premises (part VIII); $12.6 million for the United Nations Assistance Mission in Afghanistan (special political missions); and $2.1 million for the United Nations Tajikistan Office for Peace-building (special political missions). The preliminary estimate, expressed in 2002-2003 prices, has been arrived at as follows:

| *Proposed programme budget outline for 2004-2005* | | *Millions of United States dollars* |
|---|---|---|
| Appropriations for 2002-2003[a] | | 2 699.9 |
| Plus: Full provision for new posts approved in 2002-2003 (para. 3) | 25.3 | |
| Less: One-time costs in 2002-2003 (para. 4) | (47.8) | |
| Plus: Provision for appropriate information technology and common services infrastructure (para. 5) | 29.8 | |
| Plus: Provision for new or expanded activities/events foreseen and/or mandated in 2004-2005 (para. 6) | 40.5 | |
| **Changes** | | **47.8** |
| **Subtotal** | | **2 747.7** |
| **Additional provision required for special political missions at the current programme level** | | **110.2** |
| **Preliminary estimate for established activities 2004-2005** | | **2 857.9** |

[a] Includes initial appropriation, subsequent commitments and decisions as of the time of writing taken in informal consultations of the Fifth Committee, yet to be confirmed by formal meetings of the Fifth Committee and of the plenary of the General Assembly.

## A. Full provision for new posts

3. It will be recalled that for the programme budget for the biennium 2000-2001, the General Assembly decided, on the recommendation of the Advisory Committee on Administrative and Budgetary Questions, that provisions for new posts at the Professional level and above should be costed at 50 per cent. The same procedure was followed for the biennium 2002-2003. The full biennial provision in 2004-2005 for those posts which were newly established in the biennium 2002-2003 and at present are only partially funded in the 2002-2003 biennium would require an additional $25.3 million in the biennium 2004-2005 (see appendix). This additional provision is required to maintain the regular budget established post staffing table at the same level of posts as has been already approved for the biennium 2002-2003. It is anticipated at present that in preparing the proposals for the biennium 2004-2005 consideration will be given to costing all new post proposals on a full-cost basis to avoid the delayed impact of growth in the biennium 2004-2005, prejudicing the level of estimates for the biennium 2006-2007.

## B. One-time costs in 2002-2003

4. One-time costs in 2002-2003 amounting to $47.8 million would not be required. Those provisions relate mainly to one-time construction costs associated with security enhancements at Headquarters (parts VIII and XI) and offices away from Headquarters. In addition, these are non-recurrent costs for substantive and public information support for the special session of the General Assembly and associated plenary meetings on children and for special conferences on financing for

development, the Second World Assembly on Ageing and the World Summit on Sustainable Development (parts, IV, V and VII). For the purpose of the present report, all costs provided in 2002-2003 for special political missions have been treated as being of a recurrent nature.

## C. Provision for appropriate information technology and common services infrastructure

5. These preliminary estimates for the biennium 2004-2005 include a provision of $29.8 million in respect of the need to ensure that information technology and common services facilities infrastructure are brought to levels which will not prejudice programme delivery (see appendix). Attempts to provide adequate services to delegations and programmes within the reduced level of real resources available in the biennium 2002-2003 have only been partially successful. Some limited efficiencies have been realized as a result of following a more disciplined meeting schedule. However, some of the other service cutbacks, while reducing the level of expenditures, have had the undesired effect of negatively impacting the quality of service delivery and cannot be sustained in the long run without becoming counterproductive and reducing productivity. Accordingly, a limited allocation of resources to supplement information technology and common services is envisaged to be distributed across the parts of the budget which were affected by the economy measures instituted, consequent upon the adoption of the 2002-2003 initial appropriations.

## D. Provision for programme changes in 2004-2005

6. During the biennium 2004-2005, implementation of the programme budget will include continued reinforcement of programmes to enhance capacity for meeting the United Nations Millennium Declaration goals in accordance with the strategies outlined in the "Road map" (A/56/326). Additional resources related to key programme changes in the amount of $40.5 million are foreseen, summarized as follows:

[New table]

| Programme budget part | Provision for non-recurrent activities/projects mandated in 2004-2005 (thousand of United States dollars) | Resource growth (percentage) | Key programme changes |
|---|---|---|---|
| I | 2 989.4 | 0.6 | Policy-making organs, Executive Office of the Secretary-General, United Nations Office at Nairobi |
| II | 2 899.8 | 1.9 | Peace-building activities |
| III | 886.5 | 1.5 | Strengthening of the United Nations International Trade Law Branch |
| IV and V | 16 272.3 | 5.5 | Special session of the General Assembly on small island developing States, special session of the General Assembly on population and development, Eleventh United Nations Congress on the Prevention of Crime and the Treatment of Offenders, special session of the General Assembly on the World Summit for Social Development |
| VI | 4 758.9 | 1.6 | Human rights activities related to treaty implementation, right to development and special procedures, humanitarian assistance activities related to improving coordination of assistance in emergencies and disasters |
| VII | 1 013.0 | 0.7 | Public information activities in support of the major conferences as mentioned above |
| VIII | 2 725.5 | 0.6 | Security protection improvements |
| IX | 101.5 | 0.5 | Increase in investigation caseload |
| X | 80.0 | 0.1 | Increase in inter-organizational security measures |
| XI | 1 498.9 | 4.0 | Major maintenance |
| XII | 5 248.9 | 1.5 | Staff assessment |
| XIII | | | |
| **Established regular budget activities, 2004-2005** | **40 474.8** | **1.6** | |

## E. Special political missions

7. The General Assembly initially authorized some $98.4 million to be available in the biennium 2002-2003 to provide funding for such special political missions as might be authorized by the Assembly and the Security Council. Subsequently, some $14.7 million of additional resources (i.e., $12.6 million for the United Nations Assistance Mission in Afghanistan and $2.1 million for the United Nations Tajikistan Office for Peace-building) was approved under revised appropriations considered at the second part of the resumed fifty-seventh session. While the combined revised provision of $113.1 million could have been maintained in the outline for the 2004-2005 programme budget, such a course would seriously underestimate likely requirements as it would provide only about half of currently anticipated biennial requirements. It is estimated that full biennial provision in 2004-2005 for special political missions currently existing in the biennium 2002-2003 would amount to $223.3 million, thus requiring an increase of $110.2 million. While the present composition of special political missions will change somewhat in the biennium 2004-2005, it is not anticipated that the overall level will trend downwards.

8. Special political missions clearly exhibit characteristics which set them apart from other activities of the Organization financed from the regular budget. The structures in each of those missions do not form a part of the organizational structure of the United Nations Secretariat. Their activities are directed towards operational matters and as such do not lend themselves to full integration with the work programme of the Secretariat. The procedures followed for the initiation of the missions, either through the Security Council or the General Assembly, do not follow the normal programme planning and budgeting cycle. They may be, and are, approved at any point of the calendar. Accordingly, their timing and the related resource requirements have consistently proven almost impossible to predict accurately. **Under the circumstances, the General Assembly may wish to consider whether special political missions are susceptible for treatment within the present regular budget procedures for estimating requirements in the budget outline and subsequent programme budgets.**

9. The Secretary-General intends to maximize the output effectiveness of the resources committed. The proposed programme budget for the biennium 2004-2005 will be subjected to the most intensive internal scrutiny within the Secretariat, and will clearly focus on what is to be delivered by way of the accomplishments expected of the programme with the resources committed. In particular, the review will include an item-by-item examination of programme outputs to ensure their contribution and relevance, under approved strategies, for the fullest possible achievement of expected accomplishments. Thus the budget proposals will reflect the benefit of further reviews of possible obsolete activities, additional cost-effective measures and simplified procedures.

## F. Recosting

10. The outline requirements would be subject in due course to recosting to biennium 2004-2005 costs. Such a recosting exercise will reflect, inter alia, changes due to both inflation and exchange rates. Experience has proven that exchange rates cannot be reliably predicted for the time periods involved. However, inflation

adjustments may be more closely approximated at this stage and would extend to about $179.9 million on the assumption of cumulative annual inflation rates of 3.1 per cent prevailing through 2005. Accordingly, total requirements for the biennium 2004-2005 adjusted for inflation, but not yet for exchange rates, would amount to $3,037.8 million.

## III. Priorities reflecting general trends of a broad sectoral nature

11. The following priorities in the medium-term plan for the period 2002-2005 were approved in section I of General Assembly resolution 55/234 of 23 December 2000: maintenance of international peace and security; promotion of sustained economic growth and sustainable development in accordance with relevant General Assembly resolutions and recent United Nations conferences; development of Africa; promotion of human rights; effective coordination of humanitarian assistance efforts; promotion of justice and international law; disarmament; and drug control, crime prevention and combating international terrorism in all its forms and manifestations. **It is proposed that the programme budget for the biennium 2004-2005 should also manifest these priorities.** The proposed distribution of resources by parts of the budget is shown in the appendix.

## IV. Real growth compared with the previous budget

12. **The preliminary estimate ($2,634.6 million), before inclusion of special political missions, represents an increase of $47.8 million, or 1.8 per cent, compared with the approved appropriations and related provisions for the biennium 2002-2003. Nearly two thirds of this increase relates to the supplementary provision for information technology and common services infrastructure required as a consequence of currently existing deficiencies. Once account is taken of the full inclusion of required provisions for special political missions, the total preliminary estimate of $2,857.9 million would represent an increase of $158.0 million, or 5.8 per cent, compared with existing provisions for the biennium 2002-2003.**

## V. Size of the contingency fund

13. The size of the contingency fund was set at 0.75 per cent of the overall level of resources for the first outline and for all subsequent ones. **It is recommended that the level again be set at 0.75 per cent, or $21.4 million, for the biennium 2004-2005.**

[New table]

## Appendix

### Preliminary indicative estimates for the biennium 2004-2005

(Thousands of United States dollars)

| Programme budget part | 2002-2003 appropriation | Estimate changes: One-time costs in 2002-2003 | Full provision for new posts approved in 2002-2003 | Provision for information technology | Provision for common services infrastructure | Provision for new/expanded activities/events foreseen/mandated in 2004-2005 | Subtotal | Growth (percentage) | Total |
|---|---|---|---|---|---|---|---|---|---|
| I. Overall policy-making, direction and coordination | 499.1 | (0.2) | 1.3 | 0.5 | 0.6 | 3.0 | 5.2 | 1.0 | 504.3 |
| II. Political affairs (not including special political missions) | 149.8 | – | 1.4 | 0.4 | 0.9 | 2.9 | 5.6 | 3.7 | 155.4 |
| III. International justice and law | 59.1 | – | 0.4 | 0.3 | 0.3 | 0.9 | 1.9 | 3.2 | 61.0 |
| IV. International cooperation for development | 273.1 | (1.3) | 3.9 | 0.7 | 0.5 | 10.0 | 13.8 | 5.1 | 286.9 |
| V. Regional cooperation for development | 337.1 | (1.0) | 3.5 | 0.5 | 2.0 | 6.2 | 11.2 | 3.3 | 348.3 |
| VI. Human rights and humanitarian affairs | 133.0 | – | 2.7 | 0.2 | 0.2 | 4.8 | 7.9 | 5.9 | 140.9 |
| VII. Public information | 144.7 | (0.9) | 1.6 | 0.4 | 1.0 | 1.0 | 3.1 | 2.1 | 147.8 |
| VIII. Common support services | 440.9 | (2.6) | 4.7 | 6.3 | 14.1 | 2.7 | 25.2 | 5.7 | 466.1 |
| IX. Internal oversight | 20.3 | – | 0.3 | 0.1 | | 0.1 | 0.5 | 2.5 | 20.8 |
| X. Jointly financed administrative activities and special expenses | 79.4 | – | 1.3 | | 0.2 | 0.1 | 1.6 | 2.0 | 81.0 |
| XI. Capital expenditure | 87.3 | (41.8) | – | 0.6 | – | 3.5 | (37.7) | (43.2) | 49.6 |
| XII. Staff assessment | 349.9 | – | 4.2 | – | – | 5.2 | 9.4 | 2.7 | 359.3 |
| XIII. Development Account | 13.1 | – | – | – | – | – | – | – | 13.1 |
| **Regular budget established activities 2004-2005** | **2 586.8** | **(47.8)** | **25.3** | **10.0** | **19.8** | **40.4** | **47.7** | **1.8** | **2 634.5** |
| Provision for special political missions | 113.1 | – | – | – | – | 110.3 | 110.3 | 97.5 | 223.4 |
| **Total** | **2 699.9** | **(47.8)** | **25.3** | **10.0** | **19.8** | **150.7** | **158.0** | **5.9** | **2 857.9** |